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**UNITED STATES BANKRUPTCY COURT
 DISTRICT OF NEVADA**

In re:
 USA COMMERCIAL MORTGAGE COMPANY,
 Debtor.

Case No. BK-S-06-10725 LBR
 Case No. BK-S-06-10726 LBR
 Case No. BK-S-06-10727 LBR
 Case No. BK-S-06-10728 LBR
 Case No. BK-S-06-10729 LBR

In re:
 USA CAPITAL REALTY ADVISORS, LLC,
 Debtor.

Chapter 11

In re:
 USA CAPITAL DIVERSIFIED TRUST DEED FUND, LLC,
 Debtor.

**Jointly Administered Under
 Case No. BK-S-06-10725 LBR**

In re:
 USA CAPITAL FIRST TRUST DEED FUND, LLC,
 Debtor.

In re:
 USA SECURITIES, LLC,
 Debtor.

**MONTHLY OPERATING REPORT
 FOR SEPTEMBER 2006 (AFFECTS
 USA COMMERCIAL MORTGAGE
 COMPANY)**

Affects:

- ☐ All Debtors
- ☒ USA Commercial Mortgage Company
- ☐ USA Capital Realty Advisors, LLC
- ☐ USA Capital Diversified Trust Deed Fund, LLC
- ☐ USA Capital First Trust Deed Fund, LLC
- ☐ USA Securities, LLC

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA**

In re: USA Commercial Mortgage Company

Case No. 06-10725-LBR

**CHAPTER 11
MONTHLY OPERATING REPORT
(GENERAL BUSINESS CASE)**

SUMMARY OF FINANCIAL STATUS

MONTH ENDED: 09/30/06PETITION DATE: 04/13/06

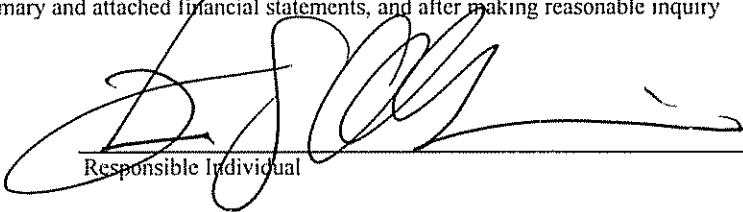
1. Debtor in possession (or trustee) hereby submits this Monthly Operating Report on the Accrual Basis of accounting (or if checked here the Office of the U.S. Trustee or the Court has approved the Cash Basis of Accounting for the Debtor).
Dollars reported in \$1

	<u>End of Current Month</u>	<u>End of Prior Month</u>	<u>As of April 13, 2006</u>
2. Asset and Liability Structure			
a. Current Assets	\$61,216,564	\$60,018,477	
b. Total Assets	\$120,233,372	\$119,049,541	\$122,468,825
c. Current Liabilities	\$21,226,244	\$19,632,750	
d. Total Liabilities	\$83,052,065	\$81,457,758	\$61,634,630
			Cumulative
3. Statement of Cash Receipts & Disbursements for Month	<u>Current Month</u>	<u>Prior Month</u>	<u>(Case to Date)</u>
a. Total Receipts	\$210,849	\$2,401,995	\$4,668,741
b. Total Disbursements	\$292,394	\$667,442	\$2,469,139
c. Excess (Deficiency) of Receipts Over Disbursements (a - b)	(\$81,545)	\$1,734,553	\$2,199,602
d. Cash Balance Beginning of Month	\$2,857,379	\$1,122,826	\$576,231
e. Cash Balance End of Month (c + d)	\$2,775,834	\$2,857,379	\$2,775,834
	<u>Current Month</u>	<u>Prior Month</u>	<u>Cumulative</u>
4. Profit/(Loss) from the Statement of Operations	(\$410,476)	(\$295,986)	(\$1,826,586)
5. Account Receivables (Pre and Post Petition)	\$18,969,276	\$17,696,964	
6. Post-Petition Liabilities	\$21,226,244	\$19,632,750	
7. Past Due Post-Petition Account Payables (over 30 days)	\$141,204	\$133,546	

At the end of this reporting month:

- | | <u>Yes</u> | <u>No</u> |
|--|------------|-----------|
| 8. Have any payments been made on pre-petition debt, other than payments in the normal course to secured creditors or lessors? (if yes, attach listing including date of payment, amount of payment and name of payee) | | x |
| 9. Have any payments been made to professionals? (if yes, attach listing including date of payment, amount of payment and name of payee) | | x |
| 10. If the answer is yes to 8 or 9, were all such payments approved by the court? | | |
| 11. Have any payments been made to officers, insiders, shareholders, relatives? (if yes, attach listing including date of payment, amount and reason for payment, and name of payee) | | x |
| 12. Is the estate insured for replacement cost of assets and for general liability? | | x |
| 13. Are a plan and disclosure statement on file? | | x |
| 14. Was there any post-petition borrowing during this reporting period? | | x |
15. Check if paid: Post-petition taxes X ; U.S. Trustee Quarterly Fees X ; Check if filing is current for: Post-petition tax reporting and tax returns: X .
(Attach explanation, if post-petition taxes or U.S. Trustee Quarterly Fees are not paid current or if post-petition tax reporting and tax return filings are not current)

I declare under penalty of perjury I have reviewed the above summary and attached financial statements, and after making reasonable inquiry believe these documents are correct.

Date: 10/19/06

Responsible Individual

STATEMENT OF OPERATIONS**(General Business Case)**For the Month Ended 09/30/06

Current Month				Cumulative (Case to Date)	Next Month Forecast
Actual	Forecast	Variance			
\$1,476,158		\$1,476,158	Revenues:		
		\$0	1 Gross Sales	\$9,116,405	
\$1,476,158	\$0	\$1,476,158	2 less: Sales Returns & Allowances		
\$0		\$0	3 Net Sales	\$9,116,405	\$0
\$1,476,158	\$0	\$1,476,158	4 less: Cost of Goods Sold (Schedule 'B')	\$9,116,405	\$0
\$0		\$0	5 Gross Profit	\$43,776	
		\$0	6 Interest	\$8,044	
\$7,000		\$7,000	7 Other Income:	\$306,467	
		\$0	8 Intercompany allocations		
			9		
\$1,483,158	\$0	\$1,483,158	10 Total Revenues	\$9,474,692	\$0
		\$0	Expenses:		
\$115,529		(\$115,529)	11 Compensation to Owner(s)/Officer(s)	\$745,387	
		\$0	12 Salaries	\$140,833	
		\$0	13 Commissions		
		\$0	14 Contract Labor		
		\$0	Rent/Lease:		
\$48,908		(\$48,908)	15 Personal Property	\$8,861	
\$4,121		(\$4,121)	16 Real Property	\$272,258	
\$16,288		(\$16,288)	17 Insurance	\$21,482	
		\$0	18 Management Fees	\$111,272	
\$5,844		(\$5,844)	19 Depreciation		
		\$0	Taxes:		
\$2,638		(\$2,638)	20 Employer Payroll Taxes	\$51,777	
\$575		(\$575)	21 Real Property Taxes		
\$50,405		(\$50,405)	22 Other Taxes	\$27,379	
		\$0	23 Other Selling	\$51,900	
		\$0	24 Other Administrative	\$505,338	
		\$0	25 Interest	\$4,556	
		\$0	26 Other Expenses:		
		\$0	27		
		\$0	28		
		\$0	29		
		\$0	30		
		\$0	31		
		\$0	32		
		\$0	33		
		\$0	34		
\$244,308	\$0	(\$244,308)	35 Total Expenses	\$1,941,043	\$0
\$1,238,850	\$0	\$1,238,850	36 Subtotal	\$7,533,649	\$0
(\$1,649,326)		\$1,649,326	Reorganization Items:		
		\$0	37 Professional Fees	(\$9,355,235)	
		\$0	38 Provisions for Rejected Executory Contracts		
		\$0	39 Interest Earned on Accumulated Cash from Resulting Chp 11 Case		
		\$0	40 Gain or (Loss) from Sale of Equipment		
		\$0	41 U S Trustee Quarterly Fees	(\$5,000)	
		\$0	42		
(\$1,649,326)	\$0	\$1,649,326	43 Total Reorganization Items	(\$9,360,235)	\$0
(\$410,476)	\$0		44 Net Profit (Loss) Before Federal & State Taxes	(\$1,826,586)	\$0
		\$0	45 Federal & State Income Taxes		
(\$410,476)	\$0	\$0	46 Net Profit (Loss)	(\$1,826,586)	\$0

Attach an Explanation of Variance to Statement of Operations (For variances greater than +/- 10% only):

BALANCE SHEET
(General Business Case)
For the Month Ended 09/30/06

Assets

		<u>From Schedules</u>	<u>Market Value¹</u>
Current Assets			
1	Cash and cash equivalents - unrestricted		\$2,775,834
2	Cash and cash equivalents - restricted		
3	Accounts receivable (net)	A	\$18,969,276
4	Inventory	B	\$0
5	Prepaid expenses		\$38,246
6	Professional retainers		
7	Other: Borrowers interest advances		\$24,845,690
8	Funds held in Collection account		\$14,587,518
9	Total Current Assets		\$61,216,564
Property and Equipment (Market Value)			
10	Real property	C	\$0
11	Machinery and equipment	D	\$0
12	Furniture and fixtures	D	\$148,052
13	Office equipment	D	\$324,801
14	Leasehold improvements	D	\$60,105
15	Vehicles	D	\$0
16	Other: _____	D	
17	_____	D	
18	_____	D	
19	_____	D	
20	_____	D	
21	Total Property and Equipment		\$532,958
Other Assets			
22	Loans to shareholders		
23	Loans to affiliates		
24	Related Party loan		\$58,374,919
25	Retirement Plan intangible		\$103,416
26	Deposits		\$5,515
27	_____		
28	Total Other Assets		\$58,483,850
29	Total Assets		\$120,233,372

NOTE:

Indicate the method used to estimate the market value of assets (e.g., appraisals; familiarity with comparable market prices, etc.) and the date the value was determined.

1 - The method used to estimate the market value of assets was net book value at the end of the current reporting period as market value has not been determined.

Liabilities and Equity
(General Business Case)

Liabilities From Schedules

Post-Petition

Current Liabilities

30	Salaries and wages		\$41,295
31	Payroll taxes		
32	Real and personal property taxes		
33	Income taxes		
34	Sales taxes		
35	Notes payable (short term)		
36	Accounts payable (trade)	A	\$155,620
37	Real property lease arrearage		
38	Personal property lease arrearage		
39	Accrued professional fees		\$8,393,242
40	Current portion of long-term post-petition debt (due within 12 months)		
41	Other: Retirement plan		\$1,105,535
42	Other liabilities		\$7,378
43	Adjustment for Loan Servicing transactions		\$11,523,174
44	Total Current Liabilities		\$21,226,244

Long-Term Post-Petition Debt, Net of Current Portion

46	Total Post-Petition Liabilities		\$21,226,244
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Pre-Petition Liabilities (allowed amount)¹

47	Secured claims ¹	F	\$0
48	Priority unsecured claims ¹	F	\$169,742
49	General unsecured claims ¹	F	\$61,656,079
50	Total Pre-Petition Liabilities		\$61,825,821
51	Total Liabilities		\$83,052,065

Equity (Deficit)

52	Retained Earnings/(Deficit) at time of filing		\$38,932,893
53	Capital Stock		\$75,000
54	Additional paid-in capital		
55	Cumulative profit/(loss) since filing of case		(\$1,826,586)
56	Post-petition contributions/(distributions) or (draws)		
57			
58	Market value adjustment		
59	Total Equity (Deficit)		\$37,181,307
60	Total Liabilities and Equity (Deficit)		\$120,233,372

NOTE:

1 - Allowed Amounts have not yet been determined and are contingent upon approval from the Bankruptcy Court. The pre-petition liabilities' amounts above reflect the claimed amounts filed on Schedules.

SCHEDULES TO THE BALANCE SHEET
(General Business Case)

Schedule A

Accounts Receivable and (Net) Payable

Receivables and Payables Agings	Accounts Receivable [Pre and Post Petition]	Accounts Payable [Post Petition]	Past Due Post Petition Debt
0 -30 Days		\$14,416	
31-60 Days		\$5,425	
61-90 Days			\$141,204
91+ Days		\$135,779	
Total accounts receivable/payable	\$0	\$155,620	
Allowance for doubtful accounts			
Accounts receivable (net)	\$0		

Schedule B

Inventory/Cost of Goods Sold

Types and Amount of Inventory(ies)	Inventory(ies) Balance at End of Month	Cost of Goods Sold	
		Inventory Beginning of Month	
		Add -	
Retail/Restaurants -		Net purchase	
Product for resale		Direct labor	
		Manufacturing overhead	
Distribution -		Freight in	
Products for resale		Other:	
Manufacturer -			
Raw Materials			
Work-in-progress		Less -	
Finished goods		Inventory End of Month	
		Shrinkage	
Other - Explain		Personal Use	
		Cost of Goods Sold	\$0
TOTAL	\$0		

Method of Inventory Control

Do you have a functioning perpetual inventory system?

Yes _____ No _____

How often do you take a complete physical inventory?

Weekly _____
Monthly _____
Quarterly _____
Semi-annually _____
Annually _____

Date of last physical inventory was _____

Date of next physical inventory is _____

Inventory Valuation Methods

Indicate by a checkmark method of inventory used.

Valuation methods -

FIFO cost _____
LIFO cost _____
Lower of cost or market _____
Retail method _____
Other _____
Explain _____

Schedule C
Real Property

Description	<u>Cost</u>	<u>Market Value</u>
Total	\$0	\$0

Schedule D
Other Depreciable Assets

Description	<u>Cost</u>	<u>Market Value</u>
Machinery & Equipment -		
Total	\$0	\$0

Furniture & Fixtures -		
Total	\$0	\$0

Office Equipment -		
Total	\$0	\$0

Leasehold Improvements -		
Total	\$0	\$0

Vehicles -		
Total	\$0	\$0

Schedule E
Aging of Post-Petition Taxes
(As of End of the Current Reporting Period)

Taxes Payable	<u>0-30 Days</u>	<u>31-60 Days</u>	<u>61-90 Days</u>	<u>91+ Days</u>	<u>Total</u>
Federal					
Income Tax Withholding					\$0
FICA - Employee					\$0
FICA - Employer					\$0
Unemployment (FUTA)					\$0
Income					\$0
Other (Attach List)					\$0
Total Federal Taxes	\$0	\$0	\$0	\$0	\$0
State and Local					
Income Tax Withholding					\$0
Unemployment (UT)					\$0
Disability Insurance (DI)					\$0
Empl. Training Tax (ETT)					\$0
Sales					\$0
Excise					\$0
Real property					\$0
Personal property					\$0
Income					\$0
Other (Attach List)					\$0
Total State & Local Taxes	\$0	\$0	\$0	\$0	\$0
Total Taxes	\$0	\$0	\$0	\$0	\$0

Schedule F
Pre-Petition Liabilities

<u>List Total Claims For Each Classification -</u>	<u>Claimed¹</u>	<u>Allowed²</u>
	<u>Amount</u>	<u>Amount (b)</u>
Secured claims (a)		
Priority claims other than taxes	\$123,916	
Priority tax claims	\$45,826	
General unsecured claims	\$61,656,079	

- (a) List total amount of claims even if under secured.
- (b) Estimated amount of claim to be allowed after compromise or litigation. As an example, you are a defendant in a lawsuit alleging damage of \$10,000,000 and a proof of claim is filed in that amount. You believe that you can settle the case for a claim of \$3,000,000. For Schedule F reporting purposes you should list \$10,000,000 as the Claimed Amount and \$3,000,000 as the Allowed Amount.

Schedule G
Rental Income Information
Not applicable to General Business Cases

Schedule H
Recapitulation of Funds Held at End of Month

	<u>Account 1</u>	<u>Account 2</u>	<u>Account 3</u>	<u>Account 4</u>
Bank	Bank of America	Bank of America	Citibank	
Account Type	Analyzed Checking	Analyzed Checking	Business Account	
Account No.	3755532383	3755532419	500078217	
Account Purpose	General	Payroll	Citibank Interest	Petty Cash
Balance, End of Month	\$2,765,694	\$9,440	\$400	\$300
Total Funds on Hand for all Accounts	<u>\$2,775,834</u>			

Attach copies of the month end bank statement(s), reconciliation(s), and the check register(s) to the Monthly Operating Report.

NOTES:

- 1 - Claimed Amounts reflects amounts filed on schedules and is subject to change as proof of claims are filed and further pre-petition invoices are identified
- 2 - Allowed Amounts have not yet been determined and are contingent upon approval from the Bankruptcy Court

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

Increase/(Decrease) in Cash and Cash Equivalents

For the Month Ended 09/30/06

	Actual Current Month	Cumulative (Case to Date)
Cash Receipts		
1 Rent/Leases Collected		
2 Cash Received from Sales	\$210,849	\$3,934,088
3 Interest Received		\$71,960
4 Borrowings		
5 Funds from Shareholders, Partners, or Other Insiders		\$5,000
6 Capital Contributions		
7 Management Fees from USA Capital Realty Advisors, LLC		\$569,163
8 Tax and Security Deposit Refund		\$5,698
9 Principal Received on Notes Receivable		\$82,832
10		
11		
12 Total Cash Receipts	\$210,849	\$4,668,741
Cash Disbursements		
13 Payments for Inventory		
14 Selling	\$575	\$2,064
15 Administrative	\$50,625	\$374,318
16 Capital Expenditures		
17 Principal Payments on Debt		\$150,645
18 Interest Paid		\$4,888
Rent/Lease:		
19 Personal Property	\$1,007	\$9,963
20 Real Property	\$51,269	\$287,088
Amount Paid to Owner(s)/Officer(s)		
21 Salaries		
22 Draws		
23 Commissions/Royalties		
24 Expense Reimbursements		
25 Other		
26 Salaries/Commissions (less employee withholding)	\$87,451	\$614,417
27 Management Fees		
Taxes:		
28 Employee Withholding	\$8,591	\$99,008
29 Employer Payroll Taxes	\$2,350	\$54,699
30 Real Property Taxes		
31 Other Taxes		\$5,055
32 Other Cash Outflows:		
33 Professional Fees Paid in Connection with Chapter 11 Case	\$90,526	\$861,994
34 U.S. Trustee Quarterly Fees		\$5,000
35		
36		
37		
38 Total Cash Disbursements:	\$292,394	\$2,469,139
39 Net Increase (Decrease) in Cash	(\$81,545)	\$2,199,602
40 Cash Balance, Beginning of Period	\$2,857,379	\$576,231
41 Cash Balance, End of Period	\$2,775,834	\$2,775,834

STATEMENT OF CASH FLOWS
 (Optional) Increase/(Decrease) in Cash and Cash Equivalents
 For the Month Ended 09/30/06

		Actual <u>Current Month</u>	Cumulative <u>(Case to Date)</u>
Cash Flows From Operating Activities			
1	Cash Received from Sales	\$210,849	\$3,934,088
2	Rent/Leases Collected		
3	Interest Received		\$71,960
4	Cash Paid to Suppliers		
5	Cash Paid for Selling Expenses	\$575	\$2,064
6	Cash Paid for Administrative Expenses	\$50,625	\$374,318
	Cash Paid for Rents/Leases:		
7	Personal Property	\$1,007	\$9,963
8	Real Property	\$51,269	\$287,088
9	Cash Paid for Interest		\$4,888
10	Cash Paid for Net Payroll and Benefits	\$87,451	\$614,417
	Cash Paid to Owner(s)/Officer(s)		
11	Salaries		
12	Draws		
13	Commissions/Royalties		
14	Expense Reimbursements		
15	Other		
	Cash Paid for Taxes Paid/Deposited to Tax Acct		
16	Employer Payroll Tax	\$2,350	\$54,699
17	Employee Withholdings	\$8,591	\$99,008
18	Real Property Taxes		
19	Other Taxes		\$5,055
20	Cash Paid for General Expenses		
21	Management Fees from USA Capital Realty Advisors, LLC		(\$569,163)
22	Tax and Security Deposit Refund		(\$5,698)
23	Principal Received on Notes Receivable		(\$82,832)
24			
25			
26			
27	Net Cash Provided (Used) by Operating Activities before Reorganization Items	\$8,981	\$3,212,241
Cash Flows From Reorganization Items			
28	Interest Received on Cash Accumulated Due to Chp 11 Case		
29	Professional Fees Paid for Services in Connection with Chp 11 Case	\$90,526	\$861,994
30	U S Trustee Quarterly Fees		\$5,000
31			
32	Net Cash Provided (Used) by Reorganization Items	(\$90,526)	(\$866,994)
33	Net Cash Provided (Used) for Operating Activities and Reorganization Items	(\$81,545)	\$2,345,247
Cash Flows From Investing Activities			
34	Capital Expenditures		
35	Proceeds from Sales of Capital Goods due to Chp 11 Case		
36			
37	Net Cash Provided (Used) by Investing Activities	\$0	\$0
Cash Flows From Financing Activities			
38	Net Borrowings (Except Insiders)		
39	Net Borrowings from Shareholders, Partners, or Other Insiders		\$5,000
40	Capital Contributions		
41	Principal Payments		\$150,645
42			
43	Net Cash Provided (Used) by Financing Activities	\$0	(\$145,645)
44	Net Increase (Decrease) in Cash and Cash Equivalents	(\$81,545)	\$2,199,602
45	Cash and Cash Equivalents at Beginning of Month	\$2,857,379	\$576,231
46	Cash and Cash Equivalents at End of Month	\$2,775,834	\$2,775,834

USA COMMERCIAL MORTGAGE COMPANY - COLLECTION ACCOUNT
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

Increase/(Decrease) in Cash and Cash Equivalents

For the Month Ended 09/30/06

		Actual Current Month	Cumulative (Case to Date)
Cash Receipts			
1	Rent/Leases Collected		
2	Cash Received from Sales		
3	Interest Received	\$276,535	\$951,698
4	Borrowings		
5	Funds from Shareholders, Partners, or Other Insiders		
6	Capital Contributions		
7	Cash Received - See Attachment A	\$19,170,105	\$171,508,413
8			
9			
10			
11			
12	Total Cash Receipts	\$19,446,640	\$172,460,111
Cash Disbursements			
13	Payments for Inventory		
14	Selling		
15	Administrative		
16	Capital Expenditures		
17	Principal Payments on Debt		
18	Interest Paid		
	Rent/Lease:		
19	Personal Property		
20	Real Property		
	Amount Paid to Owner(s)/Officer(s)		
21	Salaries		
22	Draws		
23	Commissions/Royalties		
24	Expense Reimbursements		
25	Other		
26	Salaries/Commissions (less employee withholding)		
27	Management Fees		
	Taxes:		
28	Employee Withholding		
29	Employer Payroll Taxes		
30	Real Property Taxes		
31	Other Taxes		
32	Other Cash Outflows:		
33	Extension/Late Fees/Default Interest Collected on Behalf of USA CM	\$158,849	\$426,876
34	Service Fees Paid to USA Commercial Mortgage		\$1,836,237
35	Payments to Investors	\$187	\$64,282,464
36			
37			
38	Total Cash Disbursements:	\$159,036	\$66,545,577
39	Net Increase (Decrease) in Cash	\$19,287,604	\$105,914,534
40	Cash Balance, Beginning of Period	\$95,680,347	\$9,053,417
41	Cash Balance, End of Period	\$114,967,951	\$114,967,951

USA COMMERCIAL MORTGAGE COMPANY - COLLECTION ACCOUNT

STATEMENT OF CASH FLOWS

(Optional) Increase/(Decrease) in Cash and Cash Equivalents

For the Month Ended 09/30/06

		Actual Current Month	Cumulative (Case to Date)
Cash Flows From Operating Activities			
1	Cash Received from Sales		
2	Rent/Leases Collected		
3	Interest Received	\$276,535	\$951,698
4	Cash Paid to Suppliers		
5	Cash Paid for Selling Expenses		
6	Cash Paid for Administrative Expenses		
	Cash Paid for Rents/Leases:		
7	Personal Property		
8	Real Property		
9	Cash Paid for Interest		
10	Cash Paid for Net Payroll and Benefits		
	Cash Paid to Owner(s)/Officer(s)		
11	Salaries		
12	Draws		
13	Commissions/Royalties		
14	Expense Reimbursements		
15	Other		
	Cash Paid for Taxes Paid/Deposited to Tax Acct		
16	Employer Payroll Tax		
17	Employee Withholdings		
18	Real Property Taxes		
19	Other Taxes		
20	Cash Paid for General Expenses		
21	Cash Received - See Attachment A	(\$19,170,105)	(\$171,508,413)
22	Extension/Late Fees/Default Interest Collected on Behalf of USA CM	\$158,849	\$426,876
23	Service Fees Paid to USA Commercial Mortgage		\$1,836,237
24	Payments to Investors	\$187	\$64,282,464
25			
26			
27	Net Cash Provided (Used) by Operating Activities before Reorganization Items	\$19,287,604	\$105,914,534
Cash Flows From Reorganization Items			
28	Interest Received on Cash Accumulated Due to Chp 11 Case		
29	Professional Fees Paid for Services in Connection with Chp 11 Case		
30	U S Trustee Quarterly Fees		
31			
32	Net Cash Provided (Used) by Reorganization Items	\$0	\$0
33	Net Cash Provided (Used) for Operating Activities and Reorganization Items	\$19,287,604	\$105,914,534
Cash Flows From Investing Activities			
34	Capital Expenditures		
35	Proceeds from Sales of Capital Goods due to Chp 11 Case		
36			
37	Net Cash Provided (Used) by Investing Activities	\$0	\$0
Cash Flows From Financing Activities			
38	Net Borrowings (Except Insiders)		
39	Net Borrowings from Shareholders, Partners, or Other Insiders		
40	Capital Contributions		
41	Principal Payments		
42			
43	Net Cash Provided (Used) by Financing Activities	\$0	\$0
44	Net Increase (Decrease) in Cash and Cash Equivalents	\$19,287,604	\$105,914,534
45	Cash and Cash Equivalents at Beginning of Month	\$95,680,347	\$9,053,417
46	Cash and Cash Equivalents at End of Month	\$114,967,951	\$114,967,951

USA Commercial Mortgage Company - Collections Account
Attachment A
September 1, 2006 - September 30, 2006

Borrowers	Receipts
5055 Collwood, LLC	\$ 40,753 62
Ashby Financial \$7,200,000	9,210,137 25
Amesbury/Hatters Point	489,174 05
BarUSA/\$15,300,000	1,860,615 34
Boise/Gowen 93	41,877 72
Brookmere/Matteson \$27,050,000	5,000 00
Cabernet	76,250 00
Charlevoix Homes, LLC	46,844 45
Cloudbreak LV	65,444 44
Columbia Managing Partners	24,739 72
Comman Toltec 160, LLC	109,791 67
Cottonwood Hills, LLC	48,222 22
Fiesta Murrieta	72,763 89
Fiesta Development \$6 6	73,883 33
Franklin - Stratford Investments, LLC	113,982 37
Hesperia II	62,215 28
I-40 Gateway West	482,160 21
Interstate Commerce Center	558,010 43
Interstate Commerce Center Phase II	34,431 91
J Jireh's Corporation	114,798 83
La Hacienda Estate, LLC	64,682 33
Palm Harbor One	1,706,193 61
Preserve at Galleria, LLC	3,678,588 12
Rio Rancho Executive Plaza, LLC	97,014 24
Southern California Land 2nd	40,988 89
University Estates	51,540 94
Total Receipts	\$ 19,170,104.86

USA COMMERCIAL MORTGAGE COMPANY - INVESTOR ACCOUNT
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

Increase/(Decrease) in Cash and Cash Equivalents

For the Month Ended 09/30/06

		Actual Current Month	Cumulative (Case to Date)
Cash Receipts			
1	Rent/Leases Collected		
2	Cash Received from Sales		
3	Interest Received		\$947
4	Borrowings		
5	Funds from Shareholders, Partners, or Other Insiders		
6	Capital Contributions		
7	Return of Funds from Title Company		\$8,900,000
8	Funding Assignments	\$200,000	\$200,000
9			
10			
11			
12	Total Cash Receipts	\$200,000	\$9,100,947
Cash Disbursements			
13	Payments for Inventory		
14	Selling		
15	Administrative		
16	Capital Expenditures		
17	Principal Payments on Debt		
18	Interest Paid		
	Rent/Lease:		
19	Personal Property		
20	Real Property		
	Amount Paid to Owner(s)/Officer(s)		
21	Salaries		
22	Draws		
23	Commissions/Royalties		
24	Expense Reimbursements		
25	Other		
26	Salaries/Commissions (less employee withholding)		
27	Management Fees		
	Taxes:		
28	Employee Withholding		
29	Employer Payroll Taxes		
30	Real Property Taxes		
31	Other Taxes		
32	Other Cash Outflows:		
33	Pre-Petition Check Cleared by Bank after Account Closed		\$100,000
34	Principal Payments to Investors	\$200,000	\$9,100,000
35			
36			
37			
38	Total Cash Disbursements:	\$200,000	\$9,200,000
39	Net Increase (Decrease) in Cash	\$0	(\$99,053)
40	Cash Balance, Beginning of Period	\$1,877,080	\$1,976,133
41	Cash Balance, End of Period	\$1,877,080	\$1,877,080

Note:

1 - Check cleared by Wells Fargo on April 19, 2006 and not returned to account by the bank.

USA COMMERCIAL MORTGAGE COMPANY - INVESTOR ACCOUNT

STATEMENT OF CASH FLOWS

(Optional) Increase/(Decrease) in Cash and Cash Equivalents

For the Month Ended 09/30/06

		Actual	Cumulative
Cash Flows From Operating Activities		Current Month	(Case to Date)
1	Cash Received from Sales		
2	Rent/Leases Collected		
3	Interest Received		\$947
4	Cash Paid to Suppliers		
5	Cash Paid for Selling Expenses		
6	Cash Paid for Administrative Expenses		
	Cash Paid for Rents/Leases:		
7	Personal Property		
8	Real Property		
9	Cash Paid for Interest		
10	Cash Paid for Net Payroll and Benefits		
	Cash Paid to Owner(s)/Officer(s)		
11	Salaries		
12	Draws		
13	Commissions/Royalties		
14	Expense Reimbursements		
15	Other		
	Cash Paid for Taxes Paid/Deposited to Tax Acct		
16	Employer Payroll Tax		
17	Employee Withholdings		
18	Real Property Taxes		
19	Other Taxes		
20	Cash Paid for General Expenses		
21	Pre-Petition Check Cleared by Bank after Account Closed		\$100,000
22	Return of Funds from Title Company		(\$8,900,000)
23	Principal Payments to Investors	\$200,000	\$9,100,000
24	Funding Assignments	(\$200,000)	(\$200,000)
25			
26			
27	Net Cash Provided (Used) by Operating Activities before Reorganization Items	\$0	(\$99,053)
Cash Flows From Reorganization Items			
28	Interest Received on Cash Accumulated Due to Chp 11 Case		
29	Professional Fees Paid for Services in Connection with Chp 11 Case		
30	U S Trustee Quarterly Fees		
31			
32	Net Cash Provided (Used) by Reorganization Items	\$0	\$0
33	Net Cash Provided (Used) for Operating Activities and Reorganization Items	\$0	(\$99,053)
Cash Flows From Investing Activities			
34	Capital Expenditures		
35	Proceeds from Sales of Capital Goods due to Chp 11 Case		
36			
37	Net Cash Provided (Used) by Investing Activities	\$0	\$0
Cash Flows From Financing Activities			
38	Net Borrowings (Except Insiders)		
39	Net Borrowings from Shareholders, Partners, or Other Insiders		
40	Capital Contributions		
41	Principal Payments		
42			
43	Net Cash Provided (Used) by Financing Activities	\$0	\$0
44	Net Increase (Decrease) in Cash and Cash Equivalents	\$0	(\$99,053)
45	Cash and Cash Equivalents at Beginning of Month	\$1,877,080	\$1,976,133
46	Cash and Cash Equivalents at End of Month	\$1,877,080	\$1,877,080

Note:

1 - Check cleared by Wells Fargo on April 19, 2006 and not returned to account by the bank

USA Commercial Mortgage Company, et al.
 Repaid Loans - Final Payoff
 September 2006

	Date	Principal	Interest	Extension Fees	Late Fees	Default Interest	Total Collection	Service Fees Collected
Ashby Financial \$7,200,000	9/1/2006	\$ 7,200,000.00	\$ 2,010,137.25	\$ 52,000.00			\$ 9,262,137.25	\$ 163,121.29
Preserve at Gallena, LLC	9/27/2006	3,591,750.00	86,838.12				3,678,588.12	5,680.38
Total		\$ 10,791,750.00	\$ 2,096,975.37	\$ 52,000.00	\$ -	\$ -	\$ 12,940,725.37	\$ 168,801.67